

Memorandum of Understanding

This memorandum of understanding (this “**MOU**”) is dated as of July 3, 2019 (the “**Effective Date**”) and outlines certain principal terms and conditions by and between Chicago Fire Soccer, LLC (the “**Club**”), and the Village of Bridgeview (the “**Village**”) in connection with the amendment and restatement of the Lease (as defined below) and termination of certain agreements ancillary thereto, including those set forth on Schedule 1 attached to this MOU (other than the Lease) (the “**Stadium Agreements**”). This MOU is intended solely for the purposes of facilitating discussions among the parties hereto; and both this MOU and any discussions or other communications related thereto are in the nature of settlement negotiations. Accordingly, neither this MOU nor any discussions or other communications related thereto shall be admissible against any party hereto (or any other person or entity) in any legal proceeding. Further, this MOU is not intended to be and does not constitute a legally binding obligation of any party hereto on the parties with respect to the transactions contemplated hereby. No party will have any rights or obligations of any kind whatsoever with respect to such transactions unless and until definitive documentation between all required parties to consummate the transaction contemplated by this MOU (the “**Definitive Agreements**”), is negotiated, executed and delivered by such party except with respect to the sections below entitled “Fees and Expenses”, “Governing Law” and “Confidentiality” (the “**Binding Provisions**”).

<u>I. Transaction Overview.</u>	
Background:	<p>The Club owns the exclusive right to operate the Major League Soccer professional soccer team known as the Chicago Fire (the “Fire”).</p> <p>The Village is the owner of a facility, consisting of a sports and entertainment stadium containing approximately 20,000 seats (the “Stadium” or “SeatGeek Stadium”), parking lots and related improvements located at 71st and Harlem Streets in Bridgeview, Illinois (collectively, the “Facility”).</p> <p>Major League Soccer, L.L.C. (“MLS”), the Club (as successor in interest to Anschutz Chicago Soccer, L.L.C.), and the Village are party to that certain Permit and Operating Agreement, dated as of September 1, 2005, as amended or supplemented (the “Lease”), pursuant to which the Club was granted the right to cause the Fire to play Fire Home Games (as defined in the Lease) at the Stadium.</p>
<u>II. Summary of Terms.</u>	
Amendment and Restatement of Lease:	<p>Reference is made to the Lease; all capitalized terms shall have the meaning given to them when first used in this MOU and if not defined in this MOU shall have the meanings ascribed to such terms in the Lease. The Lease shall be amended and restated in all material respects (the “Lease Restatement”), effective thirty (30) days after the Effective Date to provide that from and after the Amendment Date:</p> <p>(i) The Club shall not have any obligation to play any matches of any kind or nature at the Stadium or conduct any operations at the Facilities, including administration, and shall be permitted to pursue, commit to and conduct any and all Club operations and play matches and host events at any other location in the Chicago Market Area, in the Club’s sole and exclusive discretion;</p> <p>(ii) except as provided in the Section of this MOU entitled “Commitment Regarding Practice Facility” for the limited period of time specified therein, in connection with the Practice Facility License, the Club shall be released from any further obligations associated with use of any of the Facilities;</p> <p>(iii) the Village shall have no obligation to the Club to make any of the Facilities available for Events or any other use, other in conjunction with the Practice Facility License;</p>

	<p>(iv) neither the Village or the Club shall promote, market or seek sponsorships or ticket sales at the Stadium with respect to the Club or the MLS, it being understood that all intellectual property of the MLS and the Club, and all revenue and all rights, including without limitation, marks, trade names, copyrights, logos, branded apparel and sponsorships of any kind or nature associated with the Club and the MLS remain their sole and exclusive property and may not be used, marketed, licensed or sold in any form by the Village, provided, however, the parties agree and acknowledge that the Village shall be afforded the opportunity to promote, market or seek sponsorships or ticket sales, other than ticket sales to Club practices, in relation to the practice facility together with all other pitches, other facilities at the Stadium and youth soccer programs conducted at the Stadium as provided herein and the Village shall be permitted, on terms and conditions established by the MLS and the Club in their sole discretion, use of the marks, trade names, copyrights, logos etc. of the Club and MLS;</p> <p>(v) the obligation of the Village to maintain the Facilities for the benefit of the Club shall terminate, other than ongoing obligations associated with the Practice Facility License, all risk of loss from casualty and condemnation and restoration and repair obligations with respect to the Facilities shall be the sole cost and responsibility of the Village and the Village shall have sole and exclusive authority regarding scheduling of Events and other use of the Facilities, and all revenue derived therefrom;</p> <p>(vi) other than payment of the Amended Rent, Pitch Contribution, and customary reconciliation of revenue for the 2019 season, all other financial obligations of the Club to the Village under the Lease shall terminate. MLS shall have no further financial obligations under the Lease, the Lease Restatement or this MOU;</p> <p>(vii) Article XIII, Default and Remedies, shall be revised to reflect the limited nature of the remaining obligations of the parties, Schedule 13.7 to the Lease shall be deleted and only actions at law shall be permitted, to remedy defaults, the parties agreeing that injunctive relief shall no longer apply and all special, consequential and punitive damages shall be waived;</p> <p>(viii) all Exhibits, the Supplemental Agreement and the Second Star Club Memorandum of Understanding attached to the Lease shall be deleted;</p> <p>(ix) existing representations and warranties shall be revised to support the Lease Restatement, termination of the Stadium Agreements and the Definitive Agreements; and</p> <p>(x) after reconciliation of financial matters relating to the 2019 season, all parties shall fully and generally release the other from all loss, cost, liability, claim, demand obligation and expense of any kind or nature, arising or accruing under the Lease or the Stadium Agreements or in connection with the use of, or conduct of operations at the Facilities.</p> <p>To accomplish the points described above, and other modifications to accomplish the transaction contemplated by this MOU, relevant provisions of the Lease may be deleted or amended and restated in their entirety as necessary or desirable in the Lease Restatement.</p>
Lease Restatement and Amendment Date:	<p>It is anticipated that the Lease Restatement shall be concluded on or before thirty (30) days after the Effective Date. The Stadium Agreements shall terminate on or before March 1, 2020 or other date mutually agreed by the parties (the “Amendment Date”) and, thereafter, the Stadium Agreements shall be of no further force or effect; and none of the parties thereto shall have any further rights and obligations to any other party thereto in connection with or arising out of such Stadium Agreements. If requested by</p>

	<p>the Club, the Village will allow the Club to play matches during the 2020 season at the Stadium, with no additional rent due from the Club, but a sharing of revenues from concessions and any existing sponsorships using the same model as under the Lease, prior to the Lease Restatement. The Club (with input from MLS) and the Village shall consult and work together to create a scheduling protocol in the Lease Restatement to accommodate pre-existing events scheduled by the Village and time period of non-use of the main Stadium field prior to any such 2020 matches. In addition the Club (and, if applicable, the MLS) shall permit the Village to host non-MLS Soccer matches or events at the Stadium, without additional consent rights.</p>
Amended Rent Payable to Village:	<p>In lieu of all payments due or which might become due under the Lease or the Stadium Agreements, the Club shall pay to the Village an aggregate amount equal to \$60,500,000 (the “Amended Rent”). The Amended Rent shall be payable as follows:</p> <ul style="list-style-type: none"> (i) \$10,000,000 payable on the Amendment Date; (ii) \$39,000,000 payable in equal annual installments of \$3,000,000 due on each ensuing anniversary of the Amendment Date, concluding on the Amendment Date anniversary which falls in calendar year 2033; (iii) \$2,000,000 payable on the anniversary of the Amendment Date falling in calendar year 2034; and (iv) \$9,500,000 payable in equal annual installments of \$558,823.53 due on each anniversary of the Amendment Date, concluding on the Amendment Date anniversary which falls in calendar year 2037.
New Stadium Payment:	<p>The parties hereto acknowledge and agree that the construction of a new MLS soccer venue or stadium within the Chicago Market Area or within a thirty-five (35) mile radius of Bridgeview, IL (“New Stadium”) for use primarily by the Club may serve as a competing entertainment venue to the Stadium that may cannibalize possible booking and entertainment events that could occur at the Stadium. Upon commencement of the season in which such New Stadium commences to host or conduct non-MLS, non-Fire related programming or content at any time after the Effective Date until December 31, 2036 (collectively, the “New Stadium Activities”), unless MLS elects (in its sole discretion) to assign an MLS team to play any and all of its home games at the Stadium (together, the “Alternative Soccer Venue Arrangement”) the Club shall pay to the Village the following amounts: if the Alternative Soccer Venue Arrangement occurs (i) on or prior to the first anniversary of the Amendment Date, the sum of \$25,000,000; (ii) after the first anniversary but on or prior to the second anniversary of the Amendment Date, the sum of \$15,000,000; (iii) after the second anniversary but on or prior to the third anniversary of the Amendment Date, the sum of \$8,000,000; (iv) after the third anniversary but on or prior to the fourth anniversary of the Amendment Date, the sum of \$4,000,000; (v) after the fourth anniversary but on or prior to the fifth anniversary of the Amendment Date, the sum of \$3,500,000, and then such amount reduced annually thereafter by \$500,000 after the occurrence of the relevant anniversary date for each year that the Alternative Soccer Venue Arrangement does not occur until the eleventh anniversary of the Amendment Date, when the final \$500,000 payment is scheduled to be disbursed to the Village (the “New Stadium Payment”). The New Stadium Payment shall be due and payable within thirty (30) days of the Village’s written demand therefor. Notwithstanding the foregoing, the Village and the Club agree that Fire or Club related events or activities at Soldier Field or any renovation thereof shall not qualify as, or be deemed to constitute, New Stadium Activities.</p>

SeatGeek Naming Rights Agreement:	<p>The Club and the Village agree to cooperate and use diligent, good faith efforts to forestall and/or mitigate the potential reduction or termination of payments to the Village under a certain Naming Rights Agreement (the “SeatGeek Agreement”) by and between SeatGeek, Inc. (“SeatGeek”) and the Village. If, despite such efforts, the SeatGeek Agreement is either (i) terminated by SeatGeek prior to the expiration of the term of such SeatGeek Agreement, or (ii) if SeatGeek unilaterally reduces the payments owed to the Village to the extent expressly permitted by to the terms of the SeatGeek Agreement, then the Club shall pay the Village on the date in which such amount(s) are due and payable by SeatGeek to the Village in accordance with the terms of the SeatGeek Agreement, an amount equal to fifty percent of the net amount that would have been received by the Village, determined by subtracting from the SeatGeek payment any and all costs that reduce the payment due the Village, such as, for example, fulfillment, transaction, brokerage commissions, finder’s fees or other costs. In no event shall the amount of the shortfall payment exceed \$3,773,552. On the Effective Date of this MOU, the Village shall provide the Club with a complete copy of the fully executed SeatGeek Agreement.</p>
Guaranty, Credit Support, and MLS Commitment:	<p>First, Chicago Fire Soccer Holdings, LLC (“Guarantor”), the sole member and owner of the Club, shall guarantee the payments due under the Lease Restatement (the “Guaranty”). The Guaranty shall be delivered to the Village on the Amendment Date and shall expire upon the expiration of the term of the Lease Restatement. The Guaranty shall include the following covenants: (i) Guarantor shall maintain the legal obligation to cause the Club to make all capital contributions requested by MLS under MLS’s limited liability company agreement or the operating agreement between the Club and the MLS as and when called thereunder; (ii) As certified by the Chief Financial Officer of the Club on an annual basis, Guarantor shall maintain a minimum total equity (as presented in the Guarantor’s unaudited annual financial statements) of one and one-half times the then outstanding payments due the Village, and (iii) Guarantor shall not permit the Club to sell its interest in Soccer United Marketing, LLC (“SUM”) unless the purchaser of the Club’s interest in SUM assumes or guarantees all financial obligations of the Club under the Lease Restatement, provided that clause (iii) shall not prohibit the Club taking any action required pursuant to any rules, regulations or agreements of MLS or SUM that are generally applicable to all MLS operator-investors (including any sale by all MLS operator-investors of their respective interests in SUM to a third party or any redemption of a portion of each MLS operator-investor’s interest in SUM) so long as Guarantor’s payment obligations under the Guaranty remain in effect. As of the Amendment Date, the existing guaranty from Andell Holdings LLC shall be released in its entirety, and shall be deemed null and void.</p> <p>Second, Talman Soccer LLC (“Talman”), the owner of the Chicago Fire Pitch in Chicago (the “Pitch”), shall grant the Village a first lien mortgage in the amount of \$15,000,000 on the land and improvements comprising the Pitch (the “Pitch Mortgage”) and Talman shall subordinate any member held debt to the Pitch Mortgage held by the Village. The loan documents for the Pitch Mortgage shall be in customary form and shall permit Talman to conduct all operations in the ordinary course of its business. Talman may also obtain additional financing against the Pitch from third party lenders provided such financing is expressly made subordinate to the Pitch Mortgage held by the Village. In the event Talman decides to sell the Pitch, it may do so without the consent of the Village provided that the amount then secured by the Pitch Mortgage is paid to the Village. When the amount of the payments due under the Lease Restatement are reduced below the amount of the Pitch Mortgage and the Secured Escrow amount, the amount secured by the Pitch Mortgage shall be reduced in amount equivalent to such reduction. When the amount of remaining payments due under the Lease Restatement is less than \$4,000,000, the Pitch Mortgage shall be released by the Village.</p> <p>Third, Guarantor shall establish a segregated secure escrow account maintained at CIBC</p>

	<p>Bank USA (“CIBC”) for the benefit of the Village and will deposit either in Guarantor’s discretion (i) a standby letter of credit issued by CIBC in the amount of \$3,560,000 as of the Amendment Date naming the Village as beneficiary (with evergreen provisions mandating renewal by a date certain prior to expiration absent which the letter of credit may be drawn and held by CIBC) or (ii) marketable securities having a value upon liquidation of at least \$3,560,000 (the “Secured Escrow”). The proceeds from drawing the letter of credit or liquidation of securities shall occur and be released to the Village upon an event of default by both the Club and Guarantor in making payments then due and payable under the Lease Restatement, after notice and expiration of any cure period. If the letter of credit is drawn or securities liquidated and proceeds paid to the Village, the amount so distributed would be promptly replenished by Guarantor.</p> <p>The Guaranty, Pitch Mortgage and Secured Escrow shall be subject to a cross-default provision with notice and cure periods of ninety (90) days. Upon the expiration of such notice and cure periods, the Village may recover from the Club and the Guarantor (but not against a New Operator (as defined below), on an accelerated basis, all remaining outstanding payments due under the Lease Restatement, together with interest at an annual rate of six percent (6%) on the unpaid amount due. The Village shall be entitled to recover enforcement costs, including reasonable attorney’s fees, from the Club and the Guarantor.</p> <p>Notwithstanding the foregoing, the Club and/or the Guarantor may discharge and obtain a release of the Guaranty, the Pitch Mortgage, the Secured Escrow and the obligations due under the Lease Restatement by prepaying the amount remaining due under the Lease Restatement, being discounted by a discount factor of five percent (5%).</p> <p>Fourth, MLS will agree that if the Fire ceases operations, MLS may not authorize any operator of a Major League Soccer team to play such team’s home games in the Chicago Market Area (a “New Operator”) unless the New Operator (i) pays all unpaid, past due (without giving effect to any acceleration) payments of the Amended Rent and Pitch Contribution, together with interest at an annual rate of six percent (6%) on the unpaid amount due, and (ii) agrees to make all future payments of the Amended Rent and Pitch Contribution as and when originally scheduled under the Lease Restatement (without giving effect to any acceleration). For the avoidance of doubt, the foregoing shall not relieve the Club, Talman or the Guarantor of any of their respective obligations to the Village and any New Operator’s payment obligations under the immediately preceding sentence shall be reduced by any amounts that the Village collects from the Club, Talman, the Guarantor, the sale of any collateral for their obligations or any draw on the Secured Escrow.</p>
Pitch Contribution Payable to Village:	<p>The Club shall pay to the Village an aggregate amount equal to \$5,000,000 (the “Pitch Contribution”), which amount shall be payable in cash and which may be used, in the Village’s sole and absolute discretion, for the construction and maintenance of Stadium campus facilities located in the area surrounding the Stadium. The Pitch Contribution made in cash shall be payable as follows:</p> <ul style="list-style-type: none"> (i) \$1,000,000 on the Amendment Date; (ii) \$2,000,000 on the date which is six months after the Amendment Date; and (iii) \$2,000,000 on the one year anniversary of the Amendment Date. <p>The Village also agrees to grant the Club a right of first negotiation for scheduled use of these pitches and related facilities, for use by the Club in connection with their youth soccer and junior academy programs, and also agrees to make such use available on</p>

	terms on a most favored nation basis granted to other users.
Commitment Regarding Practice Facility:	During the period commencing on the Amendment Date and concluding on the five year anniversary thereof, the Club shall agree to use (and the Club and the Village shall enter into a license agreement pursuant to which the Club shall agree to use (the “Practice Facility License”) the fields currently used at SeatGeek Stadium as a practice facility including the grass practice field and turf practice field but excluding the game day field, together with all other pitches and other facilities as contemplated by this MOU. Use of the locker room, laundry, equipment and training room and all related facilities shall be included, and scheduling of such use shall occur in a manner specified by the Lease Restatement as well as rules and regulations to be provided by the Village and for a professional MLS soccer team. No separate rent payments shall be due under the Practice Facility License, as any rent otherwise required shall be deemed to be incorporated within the payments of Amended Rent; provided however, to the extent caused by the Club, the Club shall be responsible for reasonable cleaning, repair and maintenance costs incurred by the Village in the operation of the practice facility and the Club’s payment of such costs to the Village shall be incorporated into the Practice Facility License. Any use by the Club of the second floor offices of the Stadium subsequent to the Amendment Date shall be subject to separate rental payments paid by the Club to the Village (in addition to the Amended Rent) at a rental rate consistent with the rental rate set forth in the Lease.
<u>III. Miscellaneous</u>	
Fees and Expenses:	The parties shall each pay their own fees and expenses incurred in connection with the parties’ consideration and discussion or negotiation of this MOU, including all legal, accounting and financial advisory fees and expenses.
Governing Law:	This MOU shall be governed by the laws of the State of Illinois, without regard to conflicts of laws principles.
Legal Documentation:	Promptly after the Effective Date, the Club and the Village shall begin work in good faith to conclude on or before thirty (30) days after the Effective Date the Lease Restatement and other Definitive Agreements to reflect the transaction contemplated by this MOU.
Confidentiality:	The terms of this MOU and any other non-public information disclosed by one Party to the other Party hereunder or related hereto are confidential and may not be disclosed by the receiving party to any third party, except that either Party may disclose such terms (i) as required by law, (ii) to MLS and its affiliates, and/or (iii) to its accountants, attorneys, advisors, and actual and prospective lenders, financing sources and investors subject to an obligation to maintain the confidentiality thereof. Notwithstanding the foregoing, nothing herein is intended to or shall prohibit Village from complying with any obligations imposed by the Illinois Freedom of Information Act (5 ILCS 140) (“FOIA”); provided, however, that, (a) to the extent permitted by law, in response to any applicable FOIA request relating to this MOU to which Village is subject, Village shall seek to maintain as confidential as possible the terms of this MOU and any non-public, competitively sensitive information of the Club and (b) Village shall provide the Club with as much prior written notice as possible of any such FOIA request that may result in the public disclosure or availability of such terms or information.

Counterparts:	This MOU may be executed in counterparts, and when fully assembled with a signature on each counterpart shall constitute one and the same instrument. Signatures to this MOU may be sent by facsimile or pdf and shall be legal and binding and have the same effect as if originally signed.
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[End of MOU; signature page follows]

Following execution by each party, this MOU will constitute the basis for proceeding toward the preparation and negotiation of the Definitive Agreements; provided that, notwithstanding the full execution of this MOU, this MOU shall be non-binding (other than the Binding Provisions) and no party will have any rights or obligations of any kind whatsoever with respect to the transactions contemplated hereby unless and until the Definitive Agreements have been executed.

THE CLUB:

CHICAGO FIRE SOCCER, LLC,
a Delaware limited liability company

By: Nelson C. Rodriguez
Name: NEILSON C. RODRIGUEZ
Title: PRESIDENT + GENERAL MANAGER

THE VILLAGE:

THE VILLAGE OF BRIDGEVIEW,
an Illinois municipal corporation

By: _____
Name: _____
Title: _____

Following execution by each party, this MOU will constitute the basis for proceeding toward the preparation and negotiation of the Definitive Agreements; provided that, notwithstanding the full execution of this MOU, this MOU shall be non-binding (other than the Binding Provisions) and no party will have any rights or obligations of any kind whatsoever with respect to the transactions contemplated hereby unless and until the Definitive Agreements have been executed.

THE CLUB:

CHICAGO FIRE SOCCER, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

THE VILLAGE:

THE VILLAGE OF BRIDGEVIEW,
an Illinois municipal corporation

By: 
Name: Steven M. Landek
Title: Mayor

ACKNOWLEDGMENT

MLS has signed this MOU for the sole purpose of acknowledging its willingness to, subject to execution of the Definitive Agreements, (i) consent to the amendment of the Lease on the terms and conditions set forth in this Memorandum of Understanding as required by Section 16.18 of the Lease, and (ii) make the commitment described in the last paragraph of the section entitled "Guaranty, Credit Support, and MLS Commitment." Except with respect to such commitment, MLS shall have no liability for any obligations arising under the Lease Restatement.

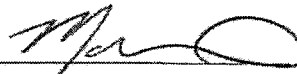
MLS:

MAJOR LEAGUE SOCCER, L.L.C.,
a Delaware limited liability company

By: _____

Name: _____

Title: _____



MARK ABBOTT

Deputy Commissioner

Schedule 1

Summary of Agreements

- The Lease
- The Supplemental Agreement dated September 1, 2005 between the Village and Anschutz Chicago Soccer, Inc., a Colorado corporation, predecessor in interest to the Club
- The Release and Assumption Agreement dated as of August 31, 2007 among Anschutz Entertainment Group, Inc., the Village and Andell Holdings LLC
- The Memorandum of Understanding with respect to the Second Star Club dated August, 2012 between the Club and the Village
- The Bridgeview Stadium Development Agreement dated as of December 21, 2014 between the Village and Anschutz Chicago Soccer Stadium, LLC (“ACS”), predecessor in interest to the Club (the “Development Agreement”)
- The First Amendment to the Development Agreement dated January 13, 2005 between the Village and ACS, predecessor in interest to the Club
- The Second Amendment to the Development Agreement dated September 1, 2005 between the Village and ACS, predecessor in interest to the Club
- The Management Agreement between the Village and ACS (“the Management Agreement”)
- The First Amendment to Management Agreement between the Village and ACS
- Assignment, Assumption and Novation Agreement dated September 5, 2007 between the Village, AEG, ACS and AH
- The Agreement to Terminate Management Agreement and Mutual Release between the Village and ACS
- The Side Letter dated August 31, 2007 between Andell Sports and Entertainment Group LLC and Chicago Stadium Management LLC
- Sponsorship Memorandum of Understanding between the Village and the Club